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Strategic directions and Programme of work

An integrated strategic framework for UN/CEFACT deliverables

Submitted by the UN/CEFACT Bureau for decision

Summary

UN/CEFACT's integrated strategy provides a framework for the development of its programme of work.

This document is a revision of "Towards an integrated strategy for UN/CEFACT" (ECE/TRADE/CEFACT/2006/5) and is aligned with the project-oriented management framework established at the Plenary's eighteenth session in February 2012. It is also consistent with the "UN/CEFACT structure, mandate, terms of reference and procedures" (ECE/TRADE/C/CEFACT/2010/15/Rev.5).

It is submitted to the twentieth Plenary for discussion and decision.

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Preamble

UN/CEFACT (United Nations Centre for Trade Facilitation and Electronic Business) is a global intergovernmental body of UNECE.

UN/CEFACT's vision is "Simple, Transparent and Effective Processes for Global Commerce". Its mission[1] is "to improve the ability of business, trade and administrative organizations, from developed, developing and transition economies, to exchange products and related services effectively".

Through its mandate, UN/CEFACT develops instruments[2] (e.g., recommendations, standards, and technical specifications) in support of trade facilitation and electronic business and undertakes a programme of work of global relevance that meets current and future demands as required by its mission.

UN/CEFACT's mission supports UN Millennium Development Goal 8 to "develop further an open trading and financial system that is rule-based, predictable and non-discriminatory and includes a commitment to good governance, development and poverty reduction – both nationally and internationally"[3].

The recent Agreement on Trade Facilitation adopted at the World Trade Organization's 9th Ministerial Conference in Bali, Indonesia, in December 2013 encourages Member States to follow best practice in the form of international standards and to participate in the review and development of international standards. UN/CEFACT can help to provide a focal point for coherence in the development of international standards in the field of trade facilitation and electronic business by cooperating with other relevant parties, including international, intergovernmental and non-governmental organizations.

I. Introduction

1. UN/CEFACT's efforts focus on facilitating national and international (cross-border) trade, by the simplification and harmonization of processes, procedures and information flows, particularly through the use of electronic business, with the goal of contributing to the growth of global commerce.

2. UN/CEFACT instruments:

- Are developed to lead towards measurable elimination of trade constraints and barriers;
- Address requirements of stakeholders from the private as well as the public sector, in a partnership;
- Are neutral in terms of technology choice;
- Reflect requirements by Member States from multiple regions;
- Contribute towards standardization within the Member States;

[1] See "UN/CEFACT Mandate, Terms of Reference and Procedures" (ECE/TRADE/C/CEFACT/2010/15/Rev.5) .

[2] UNECE Recommendations, UN/CEFACT business standards and technical specifications are often collectively referred to as "instruments" or "publications". The two phrases are used interchangeably throughout this document.

[3] UN Millennium Development Goals http://www.un.org/millenniumgoals/global.shtml, October 2010

- Do not duplicate, but enrich or add to, existing and comparable standards developed elsewhere;
- Seek to complement and be compatible with best practices for the latest (and state of the art) technological developments.

3. Within UN/CEFACT, experts from various business, trade, industry associations, national trade facilitation bodies, technology providers, standards development organizations and government sectors work together to deliver instruments that improve the ability of business, trade and administrative organizations, from developed, developing and transition economies, to trade goods and related services effectively.

4. Some UN/CEFACT instruments include: the United Nations Layout Key for Trade Documents, which is the international standard for the layout and content of trade documents; UN/EDIFACT, the international standard for Electronic Data Interchange for Administration, Commerce and Transport; XML messages (schemas), based on UN/CEFACT Core Component and Naming and Design Rule Technical Specifications, and the Core Component Library; numerous recommendations for the codification of trade information; and a set of recommendations to support the use and implementation of Single Windows for export and import procedures[4].

5. The integrated strategy[5] is consistent with the "UN/CEFACT structure, mandate, terms of reference and procedures" (ECE/TRADE/C/CEFACT/2010/15/Rev.5) and serves as a foundation for the biennial programme of work. As such the integrated strategy does not define specific work activities, instruments or projects[6].

II. Components of the Integrated Strategy

A. Trade facilitation

6. UN/CEFACT defines trade facilitation as the simplification, standardization and harmonization of procedures and associated information flows that are required to move goods and provide related services from seller to buyer and to make payments. (Trade Facilitation Strategy and Action plan for 2005-2007, TRADE/CEFACT/2005/6)

7. The fundamental purpose of trade facilitation is to simplify the trading process whether domestic or international. To achieve this objective trade facilitation aims at transparency in all commercial and regulatory rules concerning trade procedures in order to allow the trading community to prepare and comply.

8. Trade facilitation (especially in relation to the application of electronic business) can be broadly divided into three categories; simplification, harmonization and standardization:

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[4] All UN/CEFACT recommendations and standards are available for download free of charge on the website at: www.unece.org/cefact/recommendations/rec_index.html.

[5] The term 'integrated strategy' was used previously to express the coming together of the two streams of activities of UN/CEFACT: trade facilitation and electronic business. This document uses the term 'integrated strategy' to cover all activities of UN/CEFACT.

[6] Therefore, reference to work items and related sections of the previous version of this document (ECE/TRADE/CEFACT/2006/5) should not form part of this strategic document but may form part of a Programme of Work.

- Simplification is the means of streamlining trade procedures by removing redundant requirements and activities, and reducing the cost and burdens in administering the trade transaction.
- Harmonization is the means of aligning or rationalizing the information flows that accompany the movement of goods or services in the domestic marketplace, or in international transit especially at international borders.
- Standardization is the means for ensuring that the information required is consistent in both understanding and application[7]. Several international standards development organizations, consortia and communities develop standards concerning the description, definition, use and transfer of information related to international trade. UN/CEFACT cooperates with these organizations to fulfill its mandate and strives to avoid overlap and the duplication of work.

9. UN/CEFACT trade facilitation instruments help to achieve an integrated set of efficient and effective business processes, as well as optimizing the level of government control and oversight.

B. The International Supply Chain

10. The concept of an International Supply Chain encompasses the entire series of both domestic and international processes involved in trading goods and services. Any supply chain relies on the efficient execution of a series of processes extending from the seller to the buyer.

11. The supply chain ensures that goods are ordered, shipped and paid for while complying with regulatory requirements and supporting trade security. The model described in Figure 1 identifies the key commercial, logistical, regulatory and payment procedures involved in the international supply chain, and provides an overview of the information exchanged between the parties throughout its successive steps.

[7] A feature often referred to as "interoperability".

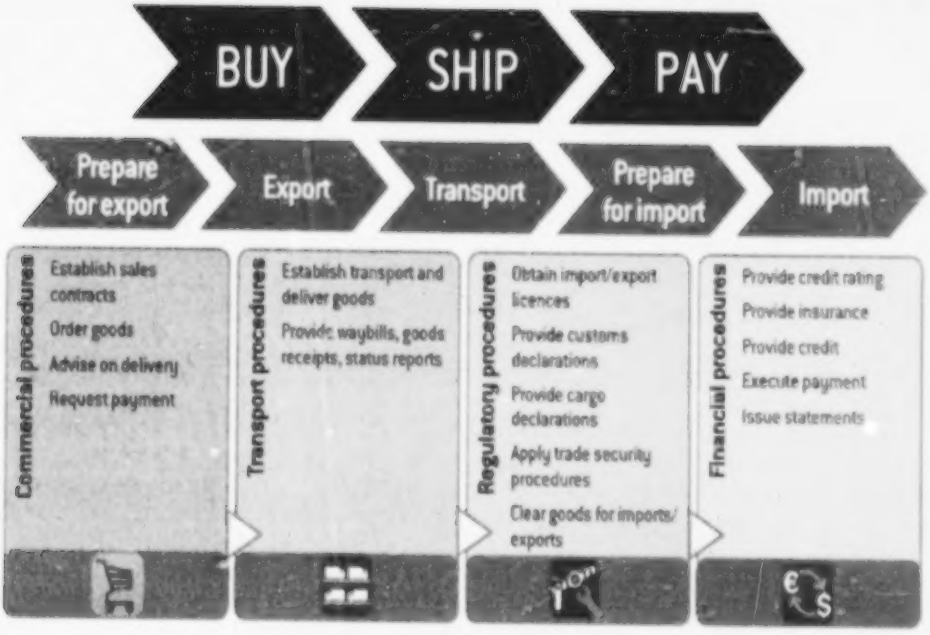

Figure 1. UN/CEFACT model of an international supply chain

C. Aligning Business Processes

12. **Electronic business** is a generic term covering digital information definition and data exchange within and between enterprises, including with customers[8].

13. Trade can be facilitated by the application of electronic business tools that enable effective management of supply chains. Electronic business requires aligning the processes and related digital information (in the form of electronic messages) exchanged between the parties involved.

III. UN/CEFACT Work Activities

14. The objective of UN/CEFACT is to develop and identify practical instruments that address stakeholder requirements. These could be applicable to commercial, transport, regulatory and financial procedures in both the public and private sector.

15. The UN/CEFACT integrated strategy focuses on three work areas for ensuring the suitability of Trade Facilitation instruments:

- **Identification:** Identify stakeholder business requirements for trade facilitation (especially in relation to the application of electronic business).

[8] Memorandum of Understanding between IEC, ISO, ITU and UNECE concerning standardization in the field of Electronic Business

- **Delivery:** Define, maintain and support instruments in response to trade facilitation needs (especially in relation to the application of electronic business) through specific projects following an Open Development Process[9].
- **Promotion:** Promote awareness, and provide education on the use and adoption of UNECE-UN/CEFACT and non UN/CEFACT Trade Facilitation instruments.

16. UN/CEFACT undertakes projects to develop and maintain trade facilitation instruments using an Open Development Process[10].

17. Biennial Programmes of Work are approved by the UN/CEFACT Plenary and serve as a framework for specific projects to be undertaken.

18. The Programme of Work will broadly focus on the following work areas:

Key work area I: Identification

- Identify trade facilitation needs and priorities working towards the elimination of constraints.
- Cooperate with other organisations to ensure that UN/CEFACT fulfils its mandate without overlap and the duplication of work.
- Monitor technological and methodological developments that support development and deployment of these instruments.
- Regularly review and, if necessary, propose maintenance of trade facilitation instruments.

Key work area II: Delivery

- Develop, validate and maintain trade facilitation recommendations and standards addressing identified trade facilitation needs and priorities.
- Analyse, align and document key elements of international trade and business procedures.
- Ensure the quality of methodologies, techniques and instruments supporting trade facilitation.
- Work closely with the UNECE Executive Committee and other bodies of the UNECE and the UN, such as the United Nations Commission on International Trade Law (UNCITRAL) and the United Nations Conference on Trade and Development (UNCTAD).
- Liaise / coordinate with other international organizations such as the World Trade Organization (WTO) and the World Customs Organization (WCO), as well as standards development organizations and consortia across sectoral, regional and subregional country groupings;

[9] Revised at 18th Plenary in February 2012:
http://www.unece.org/fileadmin/DAM/cefact/cf_plenary/plenary12/ECE_TRADE_C_CEFACT_2010_24_Rev2E_UpdatedOpenDevelopmentProcess.pdf

[10] Revised at 18th Plenary in February 2012:
http://www.unece.org/fileadmin/DAM/cefact/cf_plenary/plenary12/ECE_TRADE_C_CEFACT_2010_24_Rev2E_UpdatedOpenDevelopmentProcess.pdf

Key work area III: Promotion

- Promote the use of UN/CEFACT instruments and a better understanding of trade facilitation activities through awareness-building and outreach, especially with countries with transition, developing and least-developed economies.
- Use UN/CEFACT communications channels to actively promote the suitability of UN/CEFACT instruments for trade facilitation.

Definitions

Business: A series of processes, each having a clearly understood purpose, involving more than one organization, realized through the exchange of information and directed towards some mutually agreed upon goal, extending over a period of time. (Open-EDI Reference Model Standard – ISO/IEC 14662)

Electronic Business: A generic term covering digital information definition and data exchange within and between enterprises, including customers. (Memorandum of Understanding between IEC, ISO, ITU and UNECE concerning standardization in the field of Electronic Business)

Procedure (or Process): Instructions, practices and formalities involved in collecting, presenting, communicating and processing data required to fulfil a goal. (Facts about the Working Party on Facilitation of International Trade Procedures TRADE/WP.4/Inf.91)

Trade: The ability of business, trade and administrative organizations to exchange products and relevant services effectively. (Mandate, terms of Reference and Procedures for UN/CEFACT, ECE/TRADE/C/CEFACT/2010/15/Rev.3.)

Trade procedures: the activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in trade.

Trade Facilitation: The simplification, standardization and harmonization of procedures and associated information flows required to move goods or services from seller to buyer and to make payments.

Trade Facilitation instruments: UN/CEFACT defines TF instruments as Procedures, Policies (e.g., Single Window), Business Requirement Specifications, Code lists, UN/EDIFACT and XML libraries, Standardized messages for UN/EDIFACT and/or XML.